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*RAM-POLAND-BANKS*****URGENT*

BY MARCUS FERRAR

ZURICH, DEC 22, REUTER -- WESTERN BANKS HAVE DECIDED TO TURN DOWN A POLISH DEMAND FOR AN EXTRA 350 MILLION DOLLARS OF CREDIT TO HELP IT MEET INTEREST PAYMENTS DUE ON 1981 DEBT, BANKING SOURCES HERE AND IN FRANKFURT SAID TODAY.

A TASK FORCE OF 20 BANKS AGREED EARLIER THIS YEAR TO RESCHEDULE NEARLY 2.4 BILLION DOLLARS OF PRINCIPAL OWED TO 501 BANKS THIS YEAR, BUT ONLY ON CONDITION POLAND PAID THE INTEREST.

A WORKING GROUP OF EIGHT LEADING EUROPEAN AND U.S. BANKS WHICH MET HERE YESTERDAY NOW WILL SEEK TO FIND OUT WHAT THE POLISH SIDE PLANS TO DO IN THE LIGHT OF THE BANKS' REFUSAL TO PROVIDE MORE FUNDS, THE SOURCES SAID.

THE POLISH FOREIGN TRADE BANK, BANK HANDLOWY, ASKED 22 BANKS EARLY LAST WEEK FOR BRIDGING FINANCE TO HELP IT PAY THE INTEREST.

ALTHOUGH THE REQUEST CAME NOT ENTIRELY AS A SURPRISE IN VIEW OF POLAND'S CHRONIC SHORTAGE OF HARD CURRENCY, MANY BANKS WERE ANGERED BY WHAT THEY SAW AS AN ATTEMPT TO EVADE A COMMITMENT MADE IN THE RESCHEDULING NEGOTIATIONS. SOME BANKERS FELT PRESSURE SHOULD BE PUT ON THE SOVIET UNION TO HELP ITS ALLY, THE SOURCES SAID.*

MORE 1343 AL

*+*R149

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RAM-POLAND-BANKS 2 ZURICH

THE WORKING GROUP STILL CONSIDERS THE RESCHEDULING AGREEMENT TO BE VALID, ALTHOUGH ITS SIGNING NO LONGER WILL BE POSSIBLE BY THE END OF THE YEAR AS ORIGINALLY PLANNED, THE SOURCES SAID.

YESTERDAY'S MEETING, ATTENDED BY BANKERS FROM THE UNITED STATES, WEST GERMANY, BRITAIN, FRANCE, SWITZERLAND AND AUSTRIA, WAS PARTLY DEVOTED TO TECHNICAL PREPARATIONS FOR PUTTING THE ACCORD INTO EFFECT.

BUT UNTIL A REPLY IS RECEIVED FROM POLAND, THE WORKING GROUP DOES NOT PLAN TO RECOMMEND ANY FURTHER ACTION TO THE 20-BANK TASK FORCE WHICH NEGOTIATED THE AGREEMENT, THEY SAID.*

MORE 1345 AL

***R150

R 13692)3Z0THYDCZC

***AM-POLAND-LEAD 3 UNDATED*

"THERE ARE DEATHLY SHADOWS; AREAS OF CONFLICT AND TENSION THE MERE THOUGHT OF WHICH ALREADY FILL THE HEART WITH PAIN...

"ONCE MORE, AS I HAVE ALREADY DONE IN THESE DAYS, I PRAY THAT POLAND; MY PEOPLE; ALREADY SO TESTED BY WARS THROUGHOUT ITS TORMENTED HISTORY; MAY BE SAVED FROM FURTHER SUFFERING."

A CHILLING ACCOUNT OF ORDEALS UNDERGONE BY SOME POLISH DETAINEES -- VARIOUSLY ESTIMATED AT BETWEEN 15,000 AND 75,000 -- WAS CONTAINED IN THE LATEST REPORTS REACHING THE WEST.

SOURCES QUOTED STUDENTS AS SAYING THAT PRISONERS IN THE CAMPS HAD BEEN BEATEN IN A "HEALTH RUN" -- A POLISH TERM FOR RUNNING THE GAUNTLET.

IT WAS USED IN THE INDUSTRIAL CITY OF RADOM DURING 1976 DISORDERS AGAINST HIGHER FOOD PRICES; WHEN HUNDREDS OF WORKERS WERE FORCED TO RUN BETWEEN TWO LINES OF MILITIAMEN WHO LASHED INTO THEM WITH BATONS.

RADOM; ABOUT 60 MILES SOUTH OF WARSAW; IS A CENTER OF THE POLISH ARMAMENTS AND AIRCRAFT INDUSTRY AND A STRONGHOLD OF THE SOLIDARITY MOVEMENT.*

MORE 1347 RM

***R151

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***AM-POLAND-BANKS 3 ZURICH (R-149...THEY SAID.)*

A MEMBER OF THE GROUP WHICH MET IN ZURICH WILL TRY TO RE-ESTABLISH CONTACT WITH BANK HANDLOWY IN THE NEXT FEW DAYS BUT ONE BANKER SAID HE DOUBTED WHETHER ANY CLEAR REACTION COULD BE EXPECTED FROM WARSAW BEFORE THE NEW YEAR.

THE AMOUNT OF INTEREST DUE HAS BEEN ESTIMATED AT ABOUT 450 MILLION DOLLARS BUT THE SOURCES SAID THE BANKS HAVE NOT BEEN ABLE TO ESTABLISH THE EXACT FIGURE SO FAR.

POLAND'S TOTAL DEBT TO THE WEST IS PUT AT ABOUT 27 BILLION DOLLARS; OF WHICH 16 BILLION IS OWED TO BANKS AND THE REST TO GOVERNMENTS.*

REUTER 1348 AL